

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Request for Review of the)	
Decision of the)	
Universal Service Administrator by)	
)	
Des Moines Municipal School District No. 22)	File No. SLD-290407
Des Moines, New Mexico)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	
Changes to the Board of Directors of the)	CC Docket No. <u>97-21</u>
National Exchange Carrier Association, Inc.)	

ORDER

Adopted: November 13, 2003

Released: November 14, 2003

By the Telecommunications Access Policy Division, Wireline Competition Bureau.

1 The Telecommunications Access Policy Division has under consideration a Request for Review by Des Moines Municipal School District No. 22 (Des Moines), Des Moines, New Mexico, seeking review of a decision issued by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (Administrator).¹ Des Moines seeks review of a Funding Year 2002 funding commitment decision issued by SLD.² For the reasons discussed below, we deny the Request for Review and affirm SLD's decision.

2 By letter dated May 7, 2002, SLD denied Funding Request Number (FRN) 814245, stating that the telecommunications services identified in its application had been reclassified as internal connections.³ Specifically, SLD found that Des Moines's application requested funding for maintenance of a telephone system, telephone cabling and components,

¹ See Letter from Karen Doherty, Des Moines Municipal School District No. 22, to Federal Communications Commission, filed June 20, 2002 (Request for Review).

² Section 54.719(c) of the Commission's rules provides that any person aggrieved by an action taken by a division of the Administrator may seek review from the Commission. 47 C.F.R. § 54.719(c).

³ Letter from Schools and Libraries Division, Universal Service Administrative Company, to Karen Doherty, Des Moines Municipal School District, dated May 7, 2002.

which were properly classified as internal connections under program rules.⁴ As a result, SLD reclassified the entire funding request to Priority Two services.⁵ SLD then determined that, because Des Moines was only eligible for discounts below the 75 percent level, Des Moines's request for discounts for internal connections could not be granted as internal connections were only funded at the 81 percent level or above in Funding Year 2002.⁶

3. Des Moines filed the instant Request for Review asking that the Commission reconsider SLD's decision to classify the services requested in FRN 814245 as internal connections rather than telecommunications services.⁷ Des Moines argues that FRN 814245 was for telephone maintenance, which should be classified as telecommunications services.⁸

4. We have reviewed the record before us and conclude that SLD correctly determined that FRN 814245 should be classified as internal connections. Des Moines's contract with its service provider was for the maintenance of "eligible components of [a] telephone system, including telephone cabling and components."⁹ According to the Eligible Services List, "[t]he service category used for Maintenance & Installation should reflect the Service Category of the produce or service being installed or maintained."¹⁰ Internal connections are components located at the applicant site that are necessary to transport information to eligible classrooms.¹¹ The Eligible Services List states that internal wiring components (including cabling, bays, jacks, blocks, panels and terminals) are eligible for discounts under the internal connections category of service.¹² Because the requested telephone cabling and components would be considered internal

⁴ *Id*

⁵ In the *Fifth Reconsideration Order*, the Commission established new rules to govern how discounts will be allocated when available funding is less than total demand and a filing window is in effect. These rules provide that requests for telecommunications and Internet access services for all discount categories shall receive first priority for available funds (Priority One Services), and requests for internal connections shall receive second priority (Priority Two Services). Thus, when total demand exceeds the total support available, SLD is directed to give first priority for available funding to telecommunications services or Internet access. See *Federal-State Joint Board on Universal Service, Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, End User Common Line Charge*, CC Docket No. 96-45, Fifth Order on Reconsideration and Fourth Report and Order in CC Docket No. 96-45, Report and Order in CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72, 13 FCC Rcd 5318 (1997).

⁶ During Funding Year 2002 (July 1, 2002 – June 30, 2003) of the support mechanism, SLD granted all approved requests for discounts for telecommunications services and Internet access and granted all approved requests for internal connections down to the 81 percent discount level. See SLD Website, <<http://www.sl.universalservice.org/whatsnew/2003/062003.asp#062803>>

⁷ Request for Review

⁸ *Id*

⁹ See FCC Form 471, Des Moines Municipal Schools, filed Jan. 14, 2002, at attachment 2002-2003

¹⁰ See Eligible Services List (January 24, 2001) at 38

¹¹ See 47 C.F.R. §54.506

wiring, and therefore categorized as Priority Two internal connections, maintenance on this equipment would also be classified as such. We therefore conclude the SLD appropriately reclassified the funding request as Priority Two internal connections, and that FRN 814245 was correctly denied. Accordingly, we deny Des Moines's Request for Review.

5. ACCORDINGLY, IT IS ORDERED, pursuant to authority delegated under sections 0.91, 0.291, and 54.722(a) of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 54.722(a), that the Request for Review filed by Des Moines Municipal School District No. 22, Des Moines, New Mexico on June 20, 2002, IS DENIED.

FEDERAL COMMUNICATIONS COMMISSION



Mark G. Seifert
Deputy Chief, Telecommunications Access Policy Division
Wireline Competition Bureau

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¹² *Id.* at 32